GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY MR. VELI MERIKOSKI
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ON 20 MAY 1963

Item II: Arrangements for the Reduction or Elimination of Tariffs and Other Barriers to Trade, and Related Matters

Item III: Measures for Access to Markets for Agricultural and Other Primary Products

I have with great interest and close attention listened to what the earlier speakers have said on the subject before us. The need, wish and desire to take bold action appear with clarity from what we have heard.

Many of the points on which agreement was reached in the Working Party, seem to constitute a workable basis for further consideration in this matter. Nevertheless, a number of important questions remain unsettled which ensues from the very nature of the matter. In the light of the opinions expressed in the Working Party my country can be classified as one of the countries which have special problems. It is gratifying to note that the Contracting Parties seem to recognize the importance of those kind of problems.

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It seems unnecessary, at this stage, to elaborate upon what has been said about these problems in the Working Party's report. We assume that the matters related to this question will be subject to closer study at a later date. If in relation to countries with special problems reasonable solutions could be worked out, I do believe that our initial offer could be constructed so as to correspond to the requirements of the across-the-board approach to a number of groups of industrial items.

As regards agriculture in my country, we are confronted by serious and delicate problems. Attention must be paid especially to social conditions prevailing in the country. Although we well understand the anxiety of the agricultural exporting nations to find equitable solutions to their problems, it would - at this stage - be extremely difficult for us to commit ourselves in this field.

To reach a reasonable degree of reciprocity in the forthcoming negotiations, it is imperative to show flexibility and, if this can be done, I do believe that a wide measure of support for the adoption of the plan could be found.

To illustrate our situation in broad terms I should like to recall that 75 per cent of Finnish exports are based on wood. Moreover, in this sector a very substantial share of exports have the character of raw materials, such as round and hewn timber, sawn goods and wood pulp, which, as a whole, correspond to approximately 40 per cent of Finland's total exports. On a more advanced level of processing, paper and cardboard take up one fourth of the total exports, but here too, one has to bear in mind that so-called mass-qualities, like newsprint, are predominant and the share of finished articles of paper and cardboard has remained negligible in Finland's trade with GATT countries.

Considerations concerning reciprocity come more clearly in evidence when attention is paid to Finnish imports which are distributed over a very large range of items the share of finished products being over 40 per cent or even more, of trade with GATT countries. In addition, it should be mentioned that the propensity to import has been fairly high in Finland and that, in connexion with an elastic demand for finished products, has to be taken into account in assessing the effect of a linear cut.

Still another feature of the picture given above, has been the tendency towards deficits in the balance of trade notably in our trade with the industrialized GATT countries.

These are the main considerations which present themselves when we think of what the real possibilities are for my country fully to participate in the forthcoming trade negotiations.